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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 30, 2013

Nancy Smith
August, Inc.
16578 Oakmoor Place
Parker, Colorado 80134

Subject: Reclamation Surety and Cultural Resources Survey Required, August, Inc., Golden Dragon, S/047/0113, Uintah County, Utah

Dear Ms. Smith:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on April 23, 2013, is complete **with the exception of the reclamation bonding and cultural resources survey requirement.** The required reclamation surety is either \$19,800 for a 3 year (2016) escalation or \$20,300 for a 5 year (2018) escalation. This was determined based on information in the following table.

**Small Mine Operation Bond
Calculation Worksheet S/047/0113
3-year escalation (2016)**

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$9,400.00	\$9,400.00
Add'l Acres Disturbance	2	\$5,200.00	\$10,400.00
TOTAL - 3 acres			\$19,800.00

5-year escalation (2018)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$9,700.00	\$9,700.00
Add'l Acres Disturbance	2	\$5,300.00	\$10,600.00
TOTAL - 3 acres			\$20,300.00

Please submit the reclamation surety, reclamation contract and the cultural resources survey within the next 30 days. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

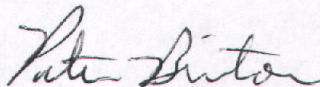
The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at 801-538-5291 or by e mail at pennyberry@utah.gov for assistance in completing this requirement.



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Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S/047/0113.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul B. Baker".

Paul B. Baker
Minerals Program Manager

PBB:lah:pb

cc: Will Stokes, SITLA (wstokes@utah.gov)

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